

# SENATE BILL REPORT

## SSB 5073

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As Passed Senate, February 25, 2015

**Title:** An act relating to nonsubstantive updates and realignments of the statutory responsibilities of the office of financial management.

**Brief Description:** Concerning nonsubstantive updates and realignments of the statutory responsibilities of the office of financial management.

**Sponsors:** Senate Committee on Government Operations & Security (originally sponsored by Senators Roach and Liias; by request of Office of Financial Management).

**Brief History:**

**Committee Activity:** Government Operations & Security (Note: Senate Resolution 8609 adopted January 27, 2015, renamed the Committee on Government Operations & State Security to Committee on Government Operations & Security): 1/15/15, 1/27/15 [DPS]. Passed Senate: 2/25/15, 48-0.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

**Majority Report:** That Substitute Senate Bill No. 5073 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Pearson, Vice Chair; Liias, Ranking Minority Member; Habib and McCoy.

**Staff:** Karen Epps (786-7424)

**Background:** The state Legislature reorganized central service functions, powers, and duties of state government in 2011. The 2011 legislation created the Department of Enterprise Services (DES); abolished the Department of General Administration and transferred its duties to DES; eliminated the Department of Personnel, dividing its powers and duties between the Office of Financial Services (OFM) and DES; and created the Human Resources Director in OFM. The Human Resources Director has several administrative functions, including assisting in setting state employee compensation, salaries, and benefits.

Additional legislation was adopted in 2011 that eliminated the Family Policy Council, which had partnered with approximately 42 community networks, and the Council for Children and Families and transferred duties to the Department of Early Learning.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Substitute Bill:** References to the Department of General Administration are amended to refer to DES. OFM must establish and enforce policies and workplace strategies that promote the efficient use of state facilities. Provisions requiring OFM to develop and maintain a facilities inventory system are amended and obsolete language is deleted.

Each agency head or authorized designee in an agency that meets risk-based criteria as developed by OFM must establish and maintain internal audits that meet professional audit standards, rather than standards of internal auditing of the institute of internal auditors. The requirement that OFM conduct a marine salary survey through a contract with a firm nationally recognized in the field of human resources management consulting is removed. The Department of Transportation, rather than OFM, must complete a government management and accountability performance report. DOT, rather than OFM, must establish objectives and performance measures for DOT and other state agencies with transportation-related responsibilities to ensure transportation performance. The requirement that a property assessment be paid by OFM instead of the state agency being charged the property assessment is removed so that the state agency pays the property assessment directly.

Certain statutory requirements are moved from OFM to DES, including:

- the requirement to establish policies for acquisition operation, and authorized use of vehicles;
- policies and regulations for employees commuting in state vehicles;
- developing and maintaining an inventory of state land resources;
- loss prevention review team appointment and duties; and
- the loss prevention review team final report, use of report and testimony, and response to the report.

Obsolete references to community networks are repealed. References to the Human Resources Director are amended to refer to the Director of OFM.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: Last year there were bills to align OFM's current practices, including a bill to eliminate references to the Human Resources Director and align it with the OFM Director, but the bills did not pass. This bill includes a provision dealing with assessments, moving that piece from OFM to agencies. This action shows up as a savings in the budget to OFM. OFM has been looking at whether there are areas in which efficiencies can be improved or realign where appropriate to have the work done by the right people. The statutory changes moving requirements from OFM to DES came out of those discussions. This bill is mainly a clean-up bill.

**Persons Testifying:** PRO: John Lane, OFM.